

AMENDED IN SENATE MAY 16, 1996
AMENDED IN ASSEMBLY MARCH 14, 1996

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

ASSEMBLY BILL

No. 2063

Introduced by Assembly Member Isenberg

(Principal coauthor: Senator Kopp)

**(Coauthors: Assembly Members Bowen, Brown, Campbell,
Cortese, Davis, Ducheny, Friedman, Rainey, Sher, Speier,
Sweeney, and Thompson)**

(Coauthors: Senators Ayala, Hayden, Leonard, and Russell)

January 12, 1996

An act to amend Section 33426.5 of the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 2063, as amended, Isenberg. Redevelopment project funding.

Existing law permits a redevelopment agency, under specified circumstances, to pay all or part of the costs of land, or the installation and construction of any structure or other improvement that is publicly owned within or without a project area. It prohibits an agency from providing any form of direct assistance to an automobile dealership on a parcel not previously developed for urban use, or a development on a parcel of 5 acres or more not previously developed for urban use that would generate sales and use taxes, except as specified.

This bill would further prohibit a redevelopment agency from providing any form of direct assistance to a development or business for the purpose of establishing, improving, or maintaining a gambling enterprise of any kind whatsoever, or any facility wherein banked or percentage games, any form of gambling device or lotteries, other than the California State Lottery, are or will be played. The bill would provide, however, that this prohibition is not intended to prohibit a redevelopment agency, under specified conditions, from acquiring property on or in which an existing gambling enterprise is located.

This bill would make a legislative finding and declaration that specified amendments to existing law made by the bill shall not be deemed to invalidate, impair, or otherwise affect specified contracts or agreements between a redevelopment agency and a gambling-related business.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 33426.5 of the Health and Safety
- 2 Code is amended to read:
- 3 33426.5. Notwithstanding the provisions of Sections
- 4 33391, 33430, 33433, and 33445, or any other provision of
- 5 this part, an agency shall not provide any form of direct
- 6 assistance to:
- 7 (a) An automobile dealership which will be or is on a
- 8 parcel of land which has not previously been developed
- 9 for urban use, unless, prior to the effective date of the act
- 10 that adds this section, the agency either owns the land or
- 11 has entered into an enforceable agreement, for the
- 12 purchase of the land or of an interest in the land,
- 13 including, but not limited to, a lease or an agreement
- 14 containing covenants affecting real property, that
- 15 requires the land to be developed and used as an
- 16 automobile dealership.
- 17 (b) (1) A development that will be or is on a parcel of
- 18 land of five acres or more which has not previously been
- 19 developed for urban use and that will, when developed,



1 generate sales or use tax pursuant to Part 1.5
2 (commencing with Section 7200) of Division 2 of the
3 Revenue and Taxation Code, unless the principal
4 permitted use of the development is office, hotel,
5 manufacturing, or industrial, or unless, prior to the
6 effective date of the act that adds this section, the agency
7 either owns the land or has entered into an enforceable
8 agreement, for the purchase of the land or of an interest
9 in the land, including, but not limited to, a lease or an
10 agreement containing covenants affecting real property,
11 that requires the land to be developed.

12 (2) For the purposes of this subdivision, a parcel shall
13 include land on an adjacent or nearby parcel on which a
14 use exists that is necessary for the legal development of
15 the parcel.

16 (c) A development or business for the purpose,
17 directly or indirectly, of establishing, improving, or
18 maintaining a gambling enterprise of any kind
19 whatsoever including, but not limited to, casinos, gaming
20 clubs, bingo operations, or any facility wherein banked or
21 percentage games, any form of gambling device, or
22 lotteries, other than the California State Lottery, are or
23 will be played.

24 (d) The prohibition in subdivision (c) is not intended
25 to prohibit a redevelopment agency from acquiring
26 property on or in which an existing gambling enterprise
27 is located, for the purpose of selling or leasing the
28 property for uses other than gambling, provided that the
29 agency acquires the property for fair market value.

30 (e) This section shall not be construed to apply to
31 agency assistance in the construction of public
32 improvements that serve all or a portion of a project area
33 and that are not required to be constructed as a condition
34 of approval of a development described in subdivision
35 (a), (b), or (c), or to prohibit assistance in the
36 construction of public improvements that are being
37 constructed for a development that is not described in
38 subdivision (a), (b), or (c).

39 *SEC. 2. The Legislature finds and declares that the*
40 *amendments to Section 33426.5 of the Health and Safety*

1 Code made by this act shall not be deemed to invalidate,
2 impair, or otherwise affect a contract or agreement
3 between a redevelopment agency and a
4 gambling-related business, entered into before April 1,
5 1996, provided that the agreement pertains to a specific
6 project in a redevelopment project area that is in
7 existence before January 1, 1997.

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